

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK

-----X
UNITED STATES OF AMERICA,

Plaintiff,

v.

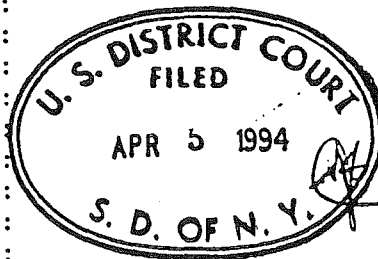
PRIMESTAR PARTNERS, L.P.;
ATC SATELLITE, INC.;
COMCAST CORPORATION;
COMCAST DBS, INC.;
CONTINENTAL CABLEVISION, INC.;
CONTINENTAL SATELLITE COMPANY, INC.;
COX ENTERPRISES, INC.;
COX SATELLITE, INC.;
GE AMERICAN COMMUNICATIONS, INC.,
GE AMERICOM SERVICES, INC.;
NEWHOUSE BROADCASTING CORPORATION;
NEW VISION SATELLITE;
TELE-COMMUNICATIONS, INC.;
TCI K-1, INC.;
TIME WARNER INC.;
UNITED ARTISTS K-1 INVESTMENTS, INC.;
VIACOM INC.;
VIACOM K-BAND, INC.; AND
WARNER CABLE SSD, INC.,

Defendants.
-----X

Civil Action No.:

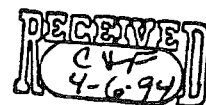
93-CIV-3913 (JES)

Entered: April 4, 1994



FINAL JUDGMENT

Plaintiff, United States of America, filed its Complaint on June 9, 1993. Plaintiff and defendants, by their respective attorneys, have consented to the entry of this Final Judgment without trial or adjudication of any issue of fact or law. This Final Judgment shall not be evidence or admission by any party with respect to any issue of fact or law. Therefore, before any testimony is taken, and without trial or adjudication of any issue of fact or law, and upon consent of the parties, it is hereby



ORDERED, ADJUDGED AND DECREED:

I.

JURISDICTION

This Court has jurisdiction of the subject matter of this action and of each of the parties consenting to this Final Judgment. The Complaint states a claim upon which relief may be granted against each defendant under Section 1 of the Sherman Act, 15 U.S.C. § 1.

II.

DEFINITIONS

As used in this Final Judgment:

(A) "Control" means an ownership interest of 50% or greater or the right, contractual or otherwise, to direct the management decisions of an entity. Entities under "common control" are entities that have the same ultimate parent entity as that term is defined in 16 C.F.R. Section 801.1 on the date of entry of this decree.

(B) "MSO defendants" are Comcast Corporation; Continental Cablevision, Inc.; Cox Enterprises, Inc.; Newhouse Broadcasting Corporation; Tele-Communications, Inc.; Time Warner, Inc.; and Viacom Inc. "MSO defendants" does not include GE Americom Services, Inc.; GE American Communications, Inc.; and Primestar Partners, L.P.

(C) "Multichannel subscription television" means a service providing multiple channels of video programming to consumers by

any of various methods, and for which a periodic subscription fee is charged.

(D) "Partnership Agreement" is the Limited Partnership Agreement of K Prime Partners, L.P., entered into on or about February 8, 1990, including any subsequent amendments, additions, or deletions.

(E) Primestar Partners, L.P. ("Primestar") is a partnership organized and existing under the laws of the State of Delaware, with its principal office in Bala Cynwyd, Pennsylvania. Primestar is a joint venture partnership formed by ten partners, all of which are subsidiaries of defendant GE American Communications, Inc. and of the MSO defendants. Primestar was formed on or about February 8, 1990, under the name K Prime Partners, L.P. On February 13, 1991, the Certificate of Limited Partnership of K Prime Partners, L.P. was amended to change the name of the partnership to Primestar Partners, L.P.

III.

APPLICABILITY

This Final Judgment shall apply to each defendant and each of their affiliates, subsidiaries, officers, directors, employees, agents, successors, and assigns.

IV.

PROHIBITED CONDUCT

A. Each defendant is enjoined and restrained from adhering to, carrying out or enforcing any provision of the Partnership Agreement that affects the availability, price, terms or

conditions of provision, sale, or licensure of programming to any provider of multichannel subscription television, including Primestar Partners, L.P., or that in any way affects the status or partnership interest of a partner as a consequence of the provision, sale, or licensure of programming to any provider of multichannel subscription television, including but not limited to relevant portions of Sections 7.14 and 10.06 of the Partnership Agreement.

B. Defendant Primestar and the MSO defendants are each enjoined and restrained from entering into any understanding or agreement of any kind, written or oral, with any other defendant with which it is not under common control regarding any form of retaliation, actual or threatened, against a person that provides, sells, or licenses programming to or invests in, or attempts or plans to provide, sell, or license programming to or invest in, any provider of multichannel subscription television for the purpose of deterring or preventing such person from providing programming to or investing in such other provider of multichannel subscription television or punishing such person for doing so.

C. Absent prior approval of the Department of Justice (the "Department") or this Court, each MSO defendant is enjoined and restrained:

(1) With respect to each programming service controlled by or under common control with that MSO defendant, or controlled by that MSO defendant and any other MSO defendants,

from entering into any agreement or understanding with any programming service that is not controlled by or under common control with that MSO defendant or with that same group of MSO defendants with respect to the terms or conditions on which either service will sell, provide or license, or refuse to sell, provide or license, programming to any provider of multichannel subscription television.

(2) With respect to each cable system controlled by or under common control with that MSO defendant, or controlled by that MSO defendant and any other MSO defendants, from entering into any agreement or understanding, directly or indirectly, with any cable system that is not controlled by or under common control with that MSO defendant or with that same group of MSO defendants to purchase, procure, or license programming, whereby such purchase, procurement or license is subject to any condition that prohibits the purchase or directly affects the availability, price, terms, or conditions of, the purchase, procurement or licensing of that programming by any other provider of multichannel subscription television.

(3) (a) With respect to any cable system it controls, either individually or collectively with any other MSO defendants, from entering into, directly or indirectly, any agreements or contracts that contain exclusive distribution provisions or from renewing existing exclusivity provisions with any national video programming service that is listed on Exhibit A, or with any existing or new regional sports service, that

restrict or limit the rights of such programming service to deal with any direct-to-home satellite service (C-band, Ku-band, or Direct Broadcast Satellite ("DBS")), Multichannel Multipoint Distribution Service (MMDS), Satellite Master Antenna Television Service (SMATV), or cable operator. Each MSO defendant is further enjoined and restrained from enforcing any existing contract terms that restrict, limit or condition the rights of such a programming service to deal with any DBS provider. Nothing in this decree shall prohibit any MSO defendant from maintaining or obtaining exclusive distribution rights to any present or future pay-per-view programming or pay-per-view programming service, or from obtaining exclusive distribution rights with respect to any new national or regional non-sports service not providing programming service to the public as of May 1, 1992. Nothing in this decree shall prohibit or limit in any way the right of any MSO defendant to exercise any contractual rights that it has to renew or to extend any existing distribution contract or agreement so long as such renewal or extension does not include any exclusive distribution rights prohibited by this decree. Nothing in this decree shall prevent any MSO defendant from obtaining or negotiating the right to obtain or to renew non-exclusive rights with respect to any programming service. Nothing in this decree shall prohibit any MSO defendant from entering into, during a period beginning three months prior to the termination of this decree, an exclusivity

provision or exclusive distribution agreement which will become effective upon the termination of this decree.

(b) For the purposes of this decree a "national video programming service" shall not include pay-per-view programming or programming services or interactive programming or programming services or distant independent broadcast signals ("superstations").

(c) For purposes of this decree, the term "cable operator" means an entity authorized pursuant to Section 621 of the Communications Act of 1934 (47 U.S.C. § 541), as it reads on the date of entry of this decree, to provide video programming to subscribers over a cable system and (i) which directly or through one or more affiliates owns a significant interest in a cable system or systems or (ii) which otherwise controls or is responsible for the management and operation of a cable system or systems. For the purposes of this decree, a cable operator shall not include a common carrier, subject in whole or in part to Title II of the Communications Act of 1934 (47 U.S.C. § 201-224), as it reads on the date of entry of this decree, or an affiliate owned by, operated by or under common control with the common carrier that provides video programming to subscribers in its telephone service area, except to the extent that, on the date of entry of this decree, such carrier provides telephone exchange service in a rural area and is authorized by the Federal Communications Commission to provide video programming to subscribers in such rural area.

D. Primestar is enjoined from licensing for itself, and each defendant is enjoined from licensing to Primestar, any exclusive rights to any national video programming service existing as of May 1, 1992; provided, however, that if a competing DBS venture obtains any exclusive programming, Primestar may, upon sixty (60) days prior written notice to the Department, obtain a reasonably comparable amount of programming of a reasonably comparable type and quality on a reasonably comparable exclusive basis. (The amount of programming shall be measured by subscriber data as of December 31 of the immediately preceding year as set forth in the Kagan Cable TV Financial Data Book, or as obtained directly from the programming service in question).

V.

SANCTIONS

Nothing in this Final Judgment shall bar the United States from seeking, or the Court from imposing, against any defendant or person any relief available under any applicable provision of law.

VI.

PLAINTIFF ACCESS

(A) To determine or secure compliance with this Final Judgment and for no other purpose, duly authorized representatives of the plaintiff shall, upon written request of the Assistant Attorney General in charge of the Antitrust Division, and on reasonable notice to the relevant defendant, be permitted:

- (1) access during that defendant's office hours to inspect and copy all records and documents in its possession or control relating to any matters contained in this Final Judgment; and
- (2) to interview that defendant's officers, employees, trustees, or agents, who may have counsel present, regarding such matters. The interviews shall be subject to the defendant's reasonable convenience and without restraint or interference from any defendant.

(B) Upon the written request of the Assistant Attorney General in charge of the Antitrust Division, a defendant shall submit such written reports, under oath if requested, relating to any of the matters contained in this Final Judgment as may be reasonably requested.

(C) No information or documents obtained by the means provided in this Section VI shall be divulged by the plaintiff to any person other than a duly authorized representative of the executive branch of the United States, except in the course of legal proceedings to which the United States is a party, or for the purpose of securing compliance with this Final Judgment, or as otherwise required by law.

VII.

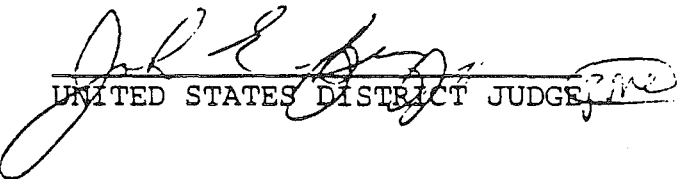
FURTHER ELEMENTS OF DECREE

(A) This Final Judgment shall expire 5 years from the date of entry.

(B) Jurisdiction is retained by this Court for the purpose of enabling any of the parties to this Final Judgment to apply to this Court at any time for further orders and directions as may be necessary or appropriate to carry out or construe this Final Judgment, to modify or terminate any of its provisions, to enforce compliance, and to punish violations of its provisions.

(C) Entry of this Final Judgment is in the public interest.

DATED:


UNITED STATES DISTRICT JUDGE

9-4-94